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Translator employment and the risk of market collapse: News from Australia

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Abstract: According to the economic theory of adverse selection, a general failure to signal the quality of a product or service can lead to lower prices, which forces good quality out of the market and may lead to market collapse. Applied to translation services, this suggests that a strong certification system, as a signal of quality, should stabilise the market. Australia has perhaps the world's most developed system for the certification of interpreters and translators, and yet there are indications of adverse selection: up to a third of practitioners self-report that they are likely to leave the sector. We therefore ask whether professional certification has actually had a stabilising effect on the Australian market. To address the question, we evaluate several other factors that could contribute to adverse selection: an oversupply of certifications may drive prices down; low remuneration may be endemic; deceptive business practices can skew the signalling of quality; public discourse can lead to low trust in professionals, independently of quality; and uncertified community members can take over translation functions. Quantitative and partly longitudinal data and interviews with 35 stakeholders suggest that these factors may indeed combine to produce downward pressures on the market, and that no certification system can be expected to counter all those effects. Other remedies are also required.

Keywords: translation market, adverse selection, translator certification, trust, professional ethics

1. Introduction

A market for professional interpreting and translation services can collapse when good translators[1] are paid less than their work is worth: they leave the sector, the quality of translations then declines, which leads to a further decline in what clients are prepared to pay for services, and more good professionals leaving, until only bad translators remain, working for rock-bottom pay. This scenario is well-known in economics as 'adverse selection', with most references pointing to Akerlof (1970) as the source of the term, although the basic principle is called Gresham's Law, after a sixteenth-century financier. It is particularly pertinent to markets where the consumer cannot independently judge the quality of the product or service: the buyer of a translation usually cannot assess what has been done with the foreign language, not any more than

[1] Since we are addressing the sector as a whole, we use the term *translator* to cover both the written and spoken forms (interpreting), except where the reference is to interpreters only.

the buyer of a second-hand car can judge the state of the engine. Akerlof's study of the market for faulty used cars ('lemons') showed that one solution to the potential market collapse was the efficient and obligatory *signalling of quality*: a second-hand car must carry a sticker giving information on its actual condition. Once this information is regarded as trustworthy, the perceived risk of buying a lemon or a bad translation declines, the customers are therefore prepared to pay more, the rising payment enables good professionals to stay in the market, quality increases, and everyone is happier than they were before the signalling. If we apply this solution to the translation market, the equivalent of the sticker on the car would be translator certification, or indeed any other recognised and trusted indicator of translator status.

A comparative study of translator status more than a decade ago (Pym et al., 2012) argued precisely this, as part of an attempt to lay the groundwork for the TransCert European initiative for the certification of translators (Budin et al., 2013). That system never eventuated. The 2013 report nevertheless found one of the prime examples for what could have been done in the Australian National Accreditation Authority for Translators and Interpreters (NAATI), which has been perhaps the most intricate and developed system in the world. If certification is the solution, then it should be working in Australia. In fact, the Australian labour market for interpreters and translators should probably be the most sustainable in the world – in other words, the least at risk of adverse selection and market collapse.

Here we return to that hypothesis to ask what effects certification has had in Australia. Contrary to the prognosis made in 2013, we find suggestions that all is not well. A survey of more than 2,200 interpreters and translators reports that "one-third of respondents indicated that they were likely to leave the sector" (Department of Home Affairs, 2023, p. 8), which might be prima facie evidence of adverse selection. We therefore ask whether professional certification has had a stabilising effect on the market, and what potentially destabilising factors it might be called upon to counter.

2. The theory and practice of status signals

As far as we are aware, the theory of adverse selection was first applied to the translation market by Chan (2008, 2009, 2012), who collected data mostly from Hong Kong. Interestingly, Chan concludes that professional certification might have only a limited effect on increasing pay for translators. He detects two main reasons for this: 1) employers trust a *range* of signals, including academic qualifications, which leads to a situation of 'signal jamming', and 2) good translators tend to avoid certification by using other names for what they do, such as 'language consultants', 'language service providers', and 'localisers', which leads to counter-signalling. This second factor contributes to the heterogeneous nature of translation markets, where both buyers and sellers enter and exit quite freely, and signals are not universally recognised.

The factors picked up by Chan point to wider developments influencing the market. As language companies developed as a competitive industry providing services wider than translation, the signalling of quality shifted to industrial standards such as ISO 17100:2015. Companies adhering to the standards would effectively certify their workflows rather than their products: if the workflow is correct, then the translations should have sufficient quality. The various standards have different definitions of who can or cannot be called a 'translator' (Melby & Lester, 2024), but they rarely include any exclusive reliance on professional certification such as that provided by NAATI.

With the advent of usable automated translations (be it from machine translation engines or generative AI), the conversation around quality has shifted to the signalling of translation 'grades', generally related to the degree of human intervention in the production process (Lommel & DePalma, 2022; Melby, 2022). This conversation would seem to introduce a new level of signal jamming and further bypass questions concerning the status of the individual human translator. At the same time, the increasing quality of automated translations enables scamming practices in which translators' qualifications are stolen or falsified (Pym et al., 2016). This indicates that individual signals of status still have some market value. If not, no one would steal them.

Australian interpreting and translation services were described as a classic case of adverse selection by Shannon in 1991 (cited in Ozolins, 1998). According to that description of the 1980s, interpreting and translation services were considered a part of the provision of government services and were thus provided free. There was thus no effective mechanism that could ascribe a neo-liberal market value to them. Further, most practitioners were part-timers. These factors led one key observer to report that "a real profession has not evolved, nor are practitioners paid what they are worth" (Ozolins, 1998, p. 85). Part of the work of NAATI accreditation and the professional association AUSIT (Australian Institute of Interpreters and Translators) would historically be to broaden the range of clients and to use signalling to foster professionalisation and remuneration.

Have those measures worked? There have been structural changes over the years. The main translation activity in Australia continues to be public-service or 'community' interpreting, for which the main employers are still the various state governments and their service institutions. There are only a few large language-service companies, some of which are merging their services with marketing activities of various kinds, although they still advertise adherence to international industrial standards for *translation* services. Government departments award contracts to those companies rather than deal with translators directly. Although this may appear to move status signalling to the companies, government policy states that translators employed for official documents and services must be certified by NAATI (Victorian Government, 2019).

NAATI itself is a not-for-profit company owned by the governments of Australia. Since those governments constitute the main employer group, the employers (rather than the translators) are technically the backers of the certification authority. NAATI was incorporated in 1977, partly in response to new immigrant groups where language problems were associated with poverty (Gentile, 2018). Its effective social functions have always included community access to public services. From 2018, a reformed certification system was designed to professionalise the industry further: it requires practitioners to recertify every three years and complete minimum levels of professional development and work experience. In 2023, NAATI reported it had certified practitioners in 179 languages, including 29 Indigenous languages, giving a total of 10,353 certified practitioners. It had also endorsed 35 institutions that offer training for translators (NAATI, 2023a, p. 21). In 2023, it reported an annual profit of AUD 1,700,388, with accumulated equity of AUD 18,480,366 (NAATI, 2023b). The size and political underpinning of NAATI make it a key element in the signalling system, more so than is the case for certification systems in most other countries.

The large companies in Australia advertise the NAATI credentials of their translators, indicating their value as a signal of quality. Deloitte (2023, p. 52) nevertheless reports that only one in the four companies they surveyed differentiated pay rates by certification level.

3. Methodology

To assess the possible relations between certification and adverse selection, we draw on quantitative data from previous large-scale surveys of the Australian market, which we flesh out with qualitative data from some of those surveys and excerpts from our own interviews with 35 stakeholders.

The previous surveys spread over some 25 years:

Table 1: List of previous surveys on the Australian language service market

Year	Author(s)	Participants
1999	Ko	270 interpreters and translators
2004	Ozolins	150 interpreters in Victoria
2012	APESMA	840 interpreters and translators
2019	González	793 practitioners
2023	González García and Skewes	243 translation graduates
2023	Department of Home Affairs	2,229 interpreters and translators
2024	Hlavac et al.	3,268 interpreters and translators surveyed in 2019

Of these, the most pertinent are the survey by the Department of Home Affairs (2023), which directly asked how likely the respondents were to leave the sector, and Hlavac et al. (2024), which asked about remuneration and multiple jobholding. From those surveys, we extract data on the quantitative factors that could contribute to adverse selection, notably oversupply and low pay.

Some of those surveys also report comments from translators that provide indications of relations between the quantitative factors. We have incorporated some of these, especially the survey by the Department of Home Affairs (2023), for which we had access to the raw data files.[2]

We also draw on excerpts from 35 interviews that we carried out online and in English, from November 2022 to January 2023, with stakeholders in interpreting and translation for two ethno-specific communities in Melbourne: three Arabic translators, one Dari translator, two Dari-speaking community representatives, three Arabic-speaking community representatives, ten stakeholders in the translating profession (including language service providers), two Dari-speaking community members, three Arabic-speaking community members, five Victorian government policymakers, and six community workers in multicultural non-government organisations (further details are in Meylaerts et al., 2024; Macreadie et al., 2025).[3] The participants were coded to protect their anonymity: PolM = policymaker; ArComR = Arabic-speaking community representative; ArComM = Arabic-speaking community member; ComR = community representative from the wider multicultural sector (such as an NGO); T&I = translator or a person working in the translation sector. The material was transcribed and tagged for major themes, of which the most pertinent to the present study were job insecurity, deceptive business practices, erosion of trust, and relations with community mediators.

[2] We thank Leigh Cox of the Australian Department of Home Affairs for providing us with the raw data.

[3] Ethics approval was obtained at the University of Melbourne (23051) and KU Leuven (G-2021-4280).

The interviews were conducted as part of a study on policy and trust in mediated behaviour-change communication, which means they were not primarily designed to address issues of certification and adverse selection. Further, the participants were selected to ensure a cross-section of perspectives on those issues, not as a quantitative sample of the wider population of interpreters and translators. Despite those important limitations, the interviews included numerous reflections on the status of the profession and the problems faced by practitioners.

For each possible cause of instability in the sector, we assess the quantitative data from the previous surveys and pertinent qualitative data from the surveys and our interviews. Together, the quantitative and qualitative data should point to why there might be trouble in the theoretical paradise.

4. Indicators of adverse selection

Indicators of market disorder are not hard to find. In the days when we are writing these lines in 2024, court interpreters in the state of Victoria have refused to work and have protested outside the courts, the Department of Health in Western Australia is being investigated for exposing interpreters to ongoing psychosocial harm (Rintoul, 2024), press reports cite a "mass exodus" from the profession (Rintoul, 2024), and Professionals Australia (2024a) claims that interpreters are leaving at the rate of one a week. What is going on?

Perhaps the most serious of these indicators concerns professionals leaving the sector, since that is where a declining talent pool could set off a spiral of adverse selection. Although we have not found firm data on the numbers of translators entering or leaving the sector, the Department of Home Affairs survey (2023) does quantify how "likely" practitioners say they are to leave. The finding is that one third of translators say they are likely to leave (2023, p. 8), which could justify the "mass exodus" reported in the press.

Those numbers should nevertheless be taken with many grains of salt. If the attrition rate is one interpreter a week, as estimated, and there are 3,900 main-profession interpreters registered in the 2021 Census (Jobs and Skills Australia, 2024), then the rate would be around 1.3%. That is unrealistically *low*. As for the "one third" finding, although it sounds high, it is less than the attrition rates reported for many of the comparable professions surveyed in Australia in 2021 (PWC, 2021). There are also reports of 78% of nurses wanting to leave their job (Chen et al., 2019) and 60% of librarians (Kenyon & Henrich, 2024), numbers that are associated with the Great Attrition of the post-COVID era.[4] Even if we remain surprised by the one-third finding – since it was reported as an "exodus" in the press and correspondingly cited in alarmist tones in a major report on multiculturalism in Australia (Department of Home Affairs, 2024) –, it is one thing to express discontent when contributing to an anonymous survey but quite another actually to abandon an occupation. When we look at the numbers, of the 435 respondents who said that leaving was "extremely" or "somewhat likely", only 113 indicated this would be "extremely likely" within two years. They constitute 8.4% of the respondents who answered the question, which would give just 4.2% per year (for more detailed analysis, see Pym & Macreadie, 2024).

There is also an important methodological problem in the survey by the Department of Home Affairs (2023). The question about leaving was phrased as an 'all or nothing' option, whereas other surveys indicate with some

[4] We thank the anonymous reviewer who pointed us toward these references.

regularity that the degree of part-time work in the sector is somewhere between 70% and 80%. That means the practical choice is usually not between staying or going, but between maintaining or lowering the portion of one's income that comes from translation.

Headlines can deceive. These few indicators from surveys, along with their repercussions in public discourse, nevertheless point to *perceived* low status and thus a degree of failure in the *signals* of professional quality. What factors might underlie those effects on signalling and perception?

4.1 Oversupply?

Our first question concerns the relation between certification and the number of people employed in the sector. Extrapolating from Parker (2008), we might estimate that the Australian market needs the equivalent of some 4,000 full-time translators. As mentioned, data from 2021 Australian Census indicate that some 3,900 people reported interpreting as their main occupation, while a further 1,700 reported translation (Jobs and Skills Australia, 2024), giving a rough total of 5,600 people – albeit with 78% of the interpreters and 65% of the translators working part-time. Depending on the degree of that part-time work, the total of 5,600 might approximate the equivalent of 4,000 full-timers. Hlavac et al. (2024, p. 156) nevertheless report that only 19.4% of respondents worked more than 30 hours a week in the sector, and they give a breakdown of the hours worked. Applying their grid, the theoretical need would be for around 8,804 actual translators, if we consider 'full-time' to mean at least 30 hours a week. That is no more than a ballpark figure, but it does enable a comparison with the number of *certified* interpreters and translators.

The data in NAATI (2023c) include 10,478 recertified practitioners, which is above both the theoretical demand and the Census numbers, but not outrageously so. That figure is much less than the 15,621 practitioners reported in 2020 (NAATI, 2020) or the "over 33,000" in 2016 (cited as being NAATI accredited in Miers, 2017, p. 12). This is important because an oversupply of certified practitioners would theoretically drive down remuneration and thus contribute to adverse selection rather than mitigate it.

Those larger numbers belong to a period when NAATI accreditation gave points for visa applications, leading to a situation where many of those accredited had no firm intention of working in the sector (noted in Ko, 1999). From 2018, NAATI required practitioners to recertify under the revised system, which could account for the declining numbers. As one of our interviewees put it:

> We need a spring clean in this profession… we've got people who've been in the profession for ages who were never duly trained. They just got their certification in 75 minutes or so of accreditation exam in those days and off you go to practice. To me, that's not enough. (T&I2)

Due to the recertification requirement, the numbers of credentialed practitioners declined by 16.3% from 2021-22 to 2023-24 (data provided to us by NAATI, personal communication). The progressive "spring cleaning" of the system would suggest that, although oversupply might once have been a factor, there has been a move toward better alignment with market demands. There are nevertheless still suggestions of partial oversupply. Ko (1999) reported that 54% of interpreters "would want more work" (cit. Ozolins, 2004, p. 4); González García and Skewes (2023, p. 14) find that 70% of their respondents were working fewer hours than they would like to, while Hlavac et al. (2024, p. 156) report that 55.8% of their respondents "would like more work". The global numbers can nevertheless be deceptive here. It seems likely that there are

shortages for some languages and excesses for others. In our analysis of data from the Department of Home Affairs (2023), those who said they were most likely to leave the sector were working with Chinese, which was also the language other than English most spoken in homes. One might have thought that the *less*-spoken languages would have more irregular work and thus greater grounds for discontent, but the opposite seems to be the case.

One of our interviewees associated a possible over-supply in the major languages with the way training is offered:

> The languages [that universities] cover are the languages where you kick a stone and you get 100 translators or interpreters in those languages… […] We need more Dari, we need more Swahili. Now there's a need for languages from the Horn of Africa. So it's difficult for training institutions to come up to speed with the migration needs and the new languages. And that's why to me, that's where professional development comes into place, because through professional development, we don't have the constraints that institutions, educational institutions have, so to speak. (T&I2)

4.2 Low pay?

The translation sector in Australia is subject to neo-liberal principles where practitioners compete in an open market (Ozolins, 2010). NAATI does not have any mandate for remuneration and there is no fixed minimum pay. While there is nothing intrinsically wrong with competitive pricing, it becomes problematic if conditions result in adverse selection and thereby compromise multicultural communities' access to quality language services. In Canada, Mossop reports that translators' salaries remained high throughout a move to neo-liberalism because "federal government translators had long been unionized, so that the pay and working conditions were quite good" (2017, p. 88). That seems not to have been the case in Australia.

Hlavac et al. (2024) indicate that 96.8% of their respondents reported incomes below the Australian average. The data in González García and Skewes (2023, p. 15) show that 81% of their sample earned less than the average. Not surprisingly, in the survey by the Department of Home Affairs (2023), "low remuneration" was selected by 75.68% of respondents as having a high impact on the retention of professionals. In the same survey, "pay is not appropriate for the work" was the most frequent reason given by those likely to leave the sector. We note, however, that this complaint has been present historically: it was made by 64% of the respondents in Ozolins (2004) and 87% in the APESMA survey (2012). It would appear to be something of a constant that has not visibly been affected by changes in the certification system.

At the same time, translation companies in Australia are reported to have increased their profits by an average of 20% in 2022 (Leske, 2023), amid claims of an international shortage of professionals in the field of translation customer relations and project management (Lambert & Walker, 2024). That would appear to run counter to the downward pressures reported by those who actually translate.

Our interviewees indicated that cost cutting was a concern for many in the sector, with evidence of some language service providers undercutting to gain government contracts in a "true and real race to the bottom" (T&I2). This was reported as resulting in adverse selection by the particularly well-informed interviewee who we have been leaning on in this respect:

> … what's happened is that the best interpreters, really senior colleagues I know, they say stuff you, I'm not working for you. I'm not working for those prices because I would rather be cleaning houses because it's you know, I don't have to use my brain. I'm not exposed to vicarious trauma or, you know, interpreting

> for people who are dying or have to go through cancer diagnosis. I'm just cleaning someone's toilet and I'll make the same money and I don't have to, you know, do PD, pay for recertification, pay for the professional association. (T&I2)

Another interviewee expressed concern that, despite grants and funding allocated to improve translations (Meylaerts et al., 2024), many translators do not benefit:

> It's really sad. It even makes me slightly anxious thinking about that time because it's like, Oh, there was funding, there was millions of dollars in funding. It's like, show me the money, because we've seen none of it. No, we didn't see that. If it's going to agencies, we're not seeing better work, more work, better conditions, better money, better job allocations, none. (ArTran3)

Cost-cutting also takes the form of altered work conditions. When in 2024 many Victorian court interpreters refused to work and protested outside the courts, it was in response to a change in conditions that would see them contracted for 60 or 90-minute engagements to be extended by 15-minute increments rather than the previous arrangement of being engaged for half or full days (Professionals Australia, 2024b).

In the data collected by the Department of Home Affairs, there are comments that describe a classic situation of adverse selection:

> It seems the market is not healthy, the agencies charge very high to the clients while pay low to the translators. They tend to only hire translators who ask for lower rates regardless of the quality of their translation. (Department of Home Affairs, 2023, p. 9)

Or again:

> Some agencies are paying practitioners translation rates that are not sustainable. My experience is that a language service provider offered translators $14 per 100 source text words (English to Chinese), which is far lower than industry standards (e.g. another language service provider pays me $25/100 words). I have had the luxury to stand firm on my discounted rate of $19 per 100 words for this LSP [language service provider]. However, I have since been penalised with less work because some practitioners have accepted unreasonably low rates. (Excel data file, Department of Home Affairs, 2023)

This indicates that remuneration is not an isolated factor. It works hand in hand with company practices and a specific-language market with a possible oversupply of practitioners. That is a situation where a good translator might leave.

Why should there be downward pressure on remuneration? In our interviews, one language service provider reflected on the temptation to increase profit margins by cutting corners when they were being compared with other providers "purely on costs": "this constant thirst for cheap and fast… is the whole ecosystem… It's the result of government departments wanting more and more and more for less. And what that goes down to is translators and interpreters getting paid very little money" (T&I4). For this provider, the problems stemmed from "the government's approach to multicultural comm[unication]s that encourages that kind of behaviour":

> I don't think other LSPs are doing it maliciously necessarily. They're just trying to stay viable as a company. And I guess that's the missing piece about the government and translators and what's in between. There's this whole language

> service provider ecosystem of challenges that affect the ultimate quality of the translation at the end of the day. (T&I4)

It was common for language service providers and translators to blame the government for allowing deceptive practices. Several referred to the government awarding a contract to a company that had undercut the previous company by reducing wages (T&I1; T&I2; T&I4):

> a lot of interpreters, they just woke up the next morning and realised that they were doing the same work for the same government agency, and they're paid 20% less. […] when an agency puts in the tender that is 20% lower, they are not making less money, they're just exploiting interpreters more. (T&I5)

4.3 Job insecurity?

Both old and recent surveys indicate that job insecurity is a major reason for discontent: it was cited by 89% of the respondents in APESMA (2012) and 81% of those in Department of Home Affairs (2023). It is not clear, however, that the term 'insecurity' is always used to mean the same thing. In the APESMA survey, it is related to an insufficient and/or irregular workload, which then impacts on income insecurity in the sense that the practitioner cannot be sure of how much they are going to earn. In the report by the Department of Home Affairs (2023), the concept blends into a number of associated reasons for leaving: "employment is not secure" (mentioned by 252 of the 435 who said they were likely to leave), which is not quite the same thing as "impossible to coordinate work into a normal 8-hour working day" (mentioned by just 69 in the same group – the irregular timing of jobs may be considered an advantage by some).

In our interviews, it was not uncommon for practitioners to refer to a lack of work as a reason for leaving:

> Today, I was looking at applying back in a technical field because there's no money, you can't wait to be allocated, you know put your hand out when you're a professional. I've done a master's degree to get my accreditation. I didn't waste time. But you can't just wait to be handed out a job. Fortunately for me, I've got other skills. (ArTran3)

A combined effect of low remuneration and irregular job demands could be the fact that most translators work part-time. As noted, Hlavac et al. (2024, pp. 157, 158) report 61.9% working between 1 and 20 hours per week, and 55.8% "would like more work" (2024, p. 156). These high rates of part-timers suggest that practitioners are engaging in other occupations. However, none of the surveys appears to have inquired about the nature of those other occupations, whether they are more attractive, and if so, in what ways.

4.4 Deceptive business practices

There are some qualitative data on business practices that could lead to lower pay and adverse selection. A survey of Australian language companies (Leske, 2023) notes that the sector "is not impervious to loopholes" and providers "are not afraid to work the system". More specifically, "while the formal requirement for all government translations might demand a NAATI-certified translator, providers can cut costs by outsourcing the bulk of the work to overseas linguists. They then engage a certified proofreader to tick the compliance boxes" to "fulfill legal requirements for the lowest price possible" (Leske, 2023). These practices would indeed drive down the pay for translators.

Our interviewees also mentioned the belief that government departments procure only the cheapest translations. That creates pressure on translation

companies to undercut each other and generally devalue translation work. Two kinds of workflows are involved here. As mentioned, translations can be done offshore and then be signed by a certified translator, perhaps after a checking process. Alternatively, also as mentioned, machine translation systems or generative AI can produce automatic translations, which are then signed by a certified translator, again perhaps after a checking process. There is also a small international industry where translators' credentials are forged and used to certify automated translations (Pym et al., 2016). Some aspects of those practices are clearly illegal: the certifying of unchecked automatic translations and the forging of credentials could be prosecuted, as could a court interpreter who presents false credentials. Other aspects are more borderline: there is nothing intrinsically wrong with a translator revising a previous translation or post-editing an automatic translation.

Our interviews included repeated indications of practices that are on the wrong side of that borderline. One policymaker said bluntly: "Some of the stuff we got back was Google Translated. We paid good money" (PolM3). In the data file from the research by the Department of Home Affairs (2023), we find a translator and interpreter of Chinese pointing to a more sophisticated kind of deception:

> Nowadays, a lot of fake NAATI service providers open stores in Chinese E-commerce platform Taobao by 'purchasing' or 'renting' the qualifications of some real NAATI translators. They attract customers through very low prices and provide extremely low-quality translation.

In our own interviews, an Arabic translator described interpreting services being subject to similar practices, which they attributed to a lack of regulation:

> We've heard many stories of like people sending their buddies to jobs when they're not accredited. That there were Facebook, WhatsApp groups that you could just join [to get these jobs]. And if I'm certified and I accept the job and I can't go because I booked myself with another agency for another job, then I'll send my buddy with my book and she can go, she will interpret, I'll get $70, I'll keep 40. She'll take 30… there's a lot of problems in the industry that are again, because it's not regulated. (ArTran3)

NAATI has tried to prevent this by encouraging certified practitioners to include their NAATI ID card, physical identification stamp or, from March 2023, a digitally generated stamp attached to a QR code that clients can scan to verify the authenticity of the translator's credentials.

Another practice is sending translation work overseas. One language service provider noted that they could request an Arabic translation offshore for $0.001-0.005 a word whereas in Australia a certified Arabic translator "would demand anywhere from $0.16 to $0.25 a word": "the orders of magnitude paying someone here are massive compared to going offshore" (T&I4). Using machine translation or an overseas translator without the translation being checked risked the target audience missing out on the message:

> So when people are using machine translation or when they're outsourcing the jobs to overseas suppliers, we're risking the fact that they don't understand what is going on with CALD [culturally and linguistically diverse] communities in Australia. So I think that is something very important. You need to speak the language that people speak here (T&I5)

Although many companies state on their websites that they use NAATI-credentialed translators, there is no regulation around this. As one interviewee put it:

> At the moment the government has no idea if what they're getting is onshore or offshore. All they see is Arabic. And unless there's some cultural nuance, something really obvious in the text that says something about Middle Eastern culture, not Australian culture, then they wouldn't know, unless they got feedback on it which isn't really happening. (T&I4)

It is not known how widespread such outsourcing might be, although all the language service providers that we interviewed recalled instances of deceptive business practices being undertaken by other, less scrupulous and unnamed providers.

Our interviews also included criticism of the high turnover in the public service workforce, which meant that those charged with procuring translations were often inexperienced and were not able to differentiate between translation products (T&I2; T&I7). One interviewee said:

> buying translating and interpreting services is not like buying the loo paper or the coffee. It requires a bit of ability. And so you've got people just making decisions based on money. And yet when it comes to translation, of course you have to save, but also good translations save lives. (T&I2)

Some of the public servants we interviewed noted that costs were *not* the sole factor when choosing service providers, although many acknowledged a lack of uniformity and transparency. One policymaker drew attention to the challenge of finding money for translations:

> One of the issues that we noticed is that there's no like dedicated budget for translations and so it's not budgeted for. And then when people go, "Oh, we should probably translate something", they don't know where to get the money from to pay for it. And they can only do a few languages and they end up not thinking about how it's being distributed, and they just put it on the website and then they go, "Oh, we didn't get them any click through [site visits], so is it even worth doing? (PolM2)

4.5 Perceived low quality?

One of the main factors in adverse selection is the buyer's uncertainty about the quality of the product, in this case the translation service. It is notoriously difficult to assess the quality of a translation. In the report from the Department of Home Affairs (2023), the practitioners themselves are invited to make assessments: 45% say they are "aware of poor-quality interpreting in high-risk assignments". Similarly, negative assessments of others' work were not uncommon in our interviews. An Arabic translator said they were "a bit horrified" by early COVID translations that were "not even readable or legible" (ArTrans3). Another translator reported spotting numerous issues when reviewing translations, including wrong terminology, grammar mistakes, a lack of cohesion, and inconsistency (T&I2). They noted: "That's something that I thought if you are certified and you pass your bloody NAATI test, at least I would expect that you don't make grammar and spelling mistakes in the language; [it was] atrocious" (T&I2). They claimed that mistakes were happening in major languages such as Chinese, Spanish, and Arabic:

> What's going on there? Is it that the agency is not paying the right professionals? Is it that obviously, because I do know lots of really good Spanish translators,

> who are these people? Because to me in these popular languages it is utterly unacceptable… we gave a Kurdish translation to someone in AUSIT and she goes like, "Oh my God, this is unintelligible. I cannot understand it." And okay, bad luck. But it's a language that, okay, it's much newer, but Spanish, Arabic, Chinese? (T&I2)

That said, what matters for market disorder is not the professionals' judgment but the way quality is perceived by those *not* privy to the inner workings of translation. Particularly in the COVID years, the press made much of mistakes in government translations. For example, Farsi and Arabic were mixed in a Victorian Government flyer (Dalzell, 2020), and the Indonesian translation of a webpage contained a key instruction in Turkish (Renaldi & Fang, 2020). These, of course, were not translation mistakes but rather problems when the translations were typeset. That technicality does not matter, though, when the effect is to erode public trust in interpreters and translators.

4.6 Erosion of trust?

Our interviews furnished qualitative indications that translation mistakes compromised public trust in translators and might therefore have contributed to adverse selection. For example, one NGO employee noted that "any kind of exposure to badly translated or ineffectively translated material" led to the community's low trust in the translator, and "even if 90% of a document looks great, you always look for that one mistake" (ComR7).

Some of the people procuring translations echoed this lack of trust. One explained a decision not to use *two* NAATI-certified professionals:

> We made sure everything was in plain English, that we passed it by all of the community representatives before and after we had it translated and every translation had at least two pairs of eyes on it, at least one being NAATI certified, because if you have two NAATI certified people, sometimes they just disagree with each other out of professional, professional rivalry. (ComR7)

The inherent variability of translations means that two good translators *can* legitimately disagree and both be right (Quine, 1969), but here that situation merely leads to doubt in what is supposed to be a signal of trustworthiness. And once distrust sets in, it is very hard to remove.

Some policymakers and public servants also showed distrust in certified translators. As noted above, one policymaker referred to paying good money for something that a paid translator had produced using Google Translate. That same participant remarked that it was "quicker to use community [organisations]" (PolM3).

4.7 Community members rather than certified professionals?

The COVID-19 years saw governments in Australia make some major budget allocations to ethno-specific community representatives with whom vaccination communication was 'adapted' rather than translated in the narrow sense (Meylaerts et al., 2024). This coincided with the negative press reports mentioned above and added weight to several negative perceptions of professional practitioners, bringing into question their social status and remuneration. Those tensions may have enhanced adverse selection.

In our interviews with stakeholders, translators were often depicted as being out of touch and disconnected from their community. One Arabic-speaking community worker noted that, while translators had a role to play, their workplace preferred to employ bicultural workers because "they also work closely with the community so they know how to translate *for them* and not for someone [else]":

> Our [bicultural support workers], they are great, they can communicate, but it comes to a point when there are some difficult terms and we wanted these terms to be translated exactly like literally, not having any creativity in it because of, for example, the side effects of the vaccine. […] So we had an accredited translator to do that, however, when I check the Arabic from the accredited translation, I wasn't very happy with it. (ArComR2)

Even though the translator may know much about the language, the bicultural support worker is depicted as a superior communicator because they work in a community-accessible way. The interviewee then talked about the information asymmetry embedded in the translator-client relationship: they could check the Arabic, but "what about the other languages that we *don't* speak? We don't know what's translated. […] We only trust the [bilingual support workers]… the [bilingual support worker] we had, we still have now, I honestly trust them more than the accredited translators because I know they will communicate their message" (ArComR2).

Any reduction in public trust in translators and interpreters must lower their capacity to signal quality and can thereby contribute to adverse selection. That said, in the COVID years we found that not all ethno-specific communities distributed trust in the same way. The Chinese-speaking communities, in particular, tended to trust government and therefore trusted the interpreters and translators who worked in government services, who thereby benefited from a halo effect (Pym & Hu, 2022).

4.8 Certification as a burden?

It would be naïve to suggest that certification should be the answer to all the above problems. But could it be that the elaborate NAATI certification process unwittingly contributes to some degree of adverse selection?

An argument might once have been made that an excessive number of certified practitioners contributed to market disorder, at least in some languages. That argument could have some credence, but the current certification practices seem in line with market demands, as noted above. That said, there seems to be a shift in the way certification is perceived. Ozolins (2004) found that 15% of his sample reported "lack of regulation" as a reason for dissatisfaction, and 5% reported "unfair competition" – greater regulation was supposed to save the day. In 2023, data from the Department of Home Affairs indicate that 17% of those who say they are likely to leave the sector select as a reason "Challenges navigating the NAATI re-certification process", while 14% choose "Costly to get NAATI certified". These are by no means majority complaints, but the logic is present nevertheless: when the pay is not great and the work is insecure, the certification process can seem a burden that compounds rather than solves problems. As a respondent in González (2019, p. 9) put it, "earning little and having to pay heftily to stay qualified do not go together".

The counterargument is that the cost and challenges of certification help remove the less serious practitioners, thereby enhancing the pool of quality skills. González García and Skewes (2023, p. 20) cite one of their respondents asking NAATI to do precisely this:

> Please eliminate those interpreters who are not competent and take in more who have received proper training. A lot of interpreters are not performing professionally, and this really lowers the quality of interpreting services.

The aim would be to tighten up the signalling mechanism so that adverse selection can be avoided. Similarly, one of our own interviewees stated: "the language services industry has long been ignored, the standards to which it

holds itself accountable are pretty much non-existent… [it] needs a clean out and it needs standards" (T&I9). They went on:

> unless there's standards we're never going to be able to compete with people that are just offshoring and saying that they don't but they do, and using machine translations when they say they don't, it's an unregulated industry that's not doing itself any favours in terms of reputation and building that quality up. (T&I9)

5. Conclusions

If our survey paints a surprisingly bleak picture of the sector, we hasten to add that we have been focusing on the negatives – for all the complaints, the numbers of professionals who continue to provide translation services point to many positive experiences, including the intangible motivators that come from helping people and contributing to a vibrant multilingual community. There are also parts of the sector that are doing very well, especially the language service companies that are winning contracts and diversifying into market surveys, automation, and the generation of content. The discontent flourishes most, it seems, on the freelance market for public-service interpreting, where technologies have so far had relatively little to say. That is probably not where young translators should aim to stay if they are looking for a lifelong occupation.

Within that freelance sector, we have seen multiple signs of discontent and some indications of market disorder. We have not, however, found strong evidence that the NAATI certification processes are having a negative effect, and there are some indications that they have indeed had a stabilising influence, countering the risk of adverse selection. On balance, the complaints about NAATI call for greater regulation, not less. It would nevertheless be naïve to suggest that certification alone can address all the factors that threaten market stability. Here we list the factors we have surveyed, and we assess a few possible solutions:

Oversupply of practitioners: This may have been a problem in the past, but it has been addressed effectively by NAATI's more rigorous recertification system and requirements for continuous professional development. There are more indications of an *undersupply* of certified professionals in some languages.

Low pay: Complaints about pay may be endemic, and reports of professionals abandoning the sector may be overstated, but clear downward pressures do threaten market stability. The certification authorities have no mandate in this matter. Remedies include unionisation and government intervention to establish minimum wages and conditions ('award wage'), as noted long ago by Ko (1999, p. 78) and recently by Deloitte (2023, p. 56).

Deceptive business practices: Deceptive practices based on offshoring and automation can contribute to lower pay for written translations. They can be countered by clear labelling of translations based on how much automation is involved (Melby & Lester, 2024), as well as basic information for those buying translation services. Some language companies offer regular education webinars designed to inform and educate purchasers, and the Victorian Government released the *Better Practice Guide to multicultural communications* (2023), which gives excellent guidance.

Perceived low quality: Whatever the actual quality of services, general *doubts* about bad quality can lead to adverse selection. Our data do not directly indicate that non-certified translators are causing adverse selection. The

signalling of quality among certified translators is nevertheless based on the fiction that all translators will produce the same quality, such that one bad experience can reflect on all. Although NAATI does have different levels of certification, they were not mentioned in our data and seem not to play a role in public awareness. Deloitte (2023, p. 56) recommends that government procurement policies include standards of translator quality. NAATI has developed an LSP endorsement model which is designed to add a layer of regulation, accountability, and consistency to the industry. Under this model, to commence in 2026, LSPs bidding for government contracts require NAATI endorsement, which includes, for example, that they prioritise assignments going to NAATI-certified practitioners with the highest level of credentials. A further possible remedy would be for a public site where certified translators are not just listed one after the other – which just sends one signal to the user – but where there is also information on prior clients, specialisations, and user-evaluations, along the lines of sites like ProZ.com. A greater diversification of signals would enable buyers and users to assess the quality and price best suited to their needs, ideally without causing signal jamming.

Erosion of trust: Several of our interviewees indicated that community-based mediators were more trusted than certified translators, who were considered distant from community needs. Any consequent erosion of trust could be problematic if it were extended to the whole profession. In context, however, there are different kinds of trust for different kinds of services. Certified interpreters and translators are theoretically bound by a code of ethics where they are instructed *not* to identify with their ethno-specific communities – they benefit from 'thin trust' as professionals only. Community members, on the other hand, are trusted as people on many levels – they can enjoy 'thick trust' (Macreadie et al., 2025). One must recognise the virtues of both.

In sum, official certification can only be a partial solution to the threat of adverse selection. Other measures are also necessary, some of which require mobilisation of translators themselves (strikes, protests, unionisation), while others call for government intervention (minimum pay and work conditions, regulation of procurement practices), and still others need industry self-regulation (labelling of translations) and a rethinking of professional constraints (creative individuation of quality signalling, and a relaxing of professional ethics in situations requiring relations of thick trust rather than accuracy alone).

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